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# *Ari*SEIA
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December 7<sup>th</sup>, 2005

Docket Control
Arizona Corporation Commission
1200 West Washington
Phoenix, Arizona 85007-2996

Re: APS EPS Credit Purchase Program, Docket E-01345A-05-0373

Dear Madam or Sir:

On November 21<sup>st</sup>, 2005, Arizona Public Service Co. (APS) filed a request for approval of its 2006 Environmental Portfolio Standard (EPS) Credit Purchase Program. AriSEIA supports the APS application and requests that it be addressed by the ACC at the Open Meeting scheduled for January 24<sup>th</sup>, 2006.

We also recommend the Commission use the APS application as the basis for developing a statewide Uniform Credit Purchase Program (UCPP) when considering changes to the EPS – either as a whole or as other utilities file for approval or re-approval of their existing Credit Purchase Programs.

The components of the 2006 APS Credit Purchase Program are flexible, fair and timely. Specific items we would like to call attention to are:

- Continuation of an efficient reservation process for all technologies
- Continuation of up-front credit purchase payments for the residential and commercial PV systems
- Adoption of new performance-based, up-front credit purchase payments for residential Solar Hot Water systems.
- Inclusion of assignment of Credit Purchase Payments to third parties
- Adoption of a performance-based credit purchase payment for the solar HVAC pilot program
- Inclusion of a pilot program to address performance-based credit purchase payments for commercial PV systems

APS's willingness to discuss development of their new program openly and to take recommendations from industry was important and can be directly tied to AriSEIA's support of this filing. AriSEIA commends APS for taking this approach and looks forward to the continued success of their EPS Credit Purchase Program in 2006 and beyond.

Sincerely,

Sean M. Seitz
*President*
*Arizona Solar Energy Industries Association*